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**SUPPORT. PROMOTE. PROTECT.**

The Cayman Islands Chamber of Commerce was established in 1965 and is a non-profit organisation that exists to Support, Promote and Protect Cayman business and the wider community. We proudly represent nearly 700 businesses and associations from every major industry sector.

**MINUTES OF THE 2<sup>nd</sup> MEETING OF THE 2016 COUNCIL ON 13<sup>th</sup> APRIL 2016, CHAMBER CONFERENCE ROOM, GOVERNORS SQUARE, WEST BAY ROAD, GRAND CAYMAN, CAYMAN ISLANDS**

**ATTENDING:**

- Mr. Paul Pearson, President and Chairman
- Mr. Kyle Broadhurst, President-Elect (PE)
- Mr. Paul Byles, Vice President (VP)
- Mr. Colin Reid, Secretary
- Mr. Gary Ruddy, Councillor, 2<sup>nd</sup> Year
- Mr. Chris Kirkconnell, Councillor, 2<sup>nd</sup> Year
- Ms. Roz Griffiths, Councillor, 1<sup>st</sup> Year
- Mr. Gregg Anderson, Councillor, 1<sup>st</sup> Year
- Mr. Wil Pineau, CCE, Chief Executive Officer (CEO)

**1. Welcome/Call to order/Confirmation of required five Councillors for quorum**

President Paul chaired the meeting, welcomed Councillors and called proceedings to order at 3:04 p.m. He confirmed the required quorum of five councilors as mandated by the Chamber's Memorandum and Articles of Association. CEO Wil Pineau, CCE, recorded the minutes.

**2. Apologies**

- Mr. Wayne Cowan, Treasurer
- Mr. Barry Bodden, Immediate Past President
- James O'Brien, 1<sup>st</sup> Year, Councillor

**3. Consent Agenda**

The consent agenda was distributed to the Council prior to the meeting for review. No changes were received from any Councillor and no requests to list any specific item in the documents on the agenda for further discussion were received prior to the meeting. PE Kyle moved a motion to accept and approve the agenda items listed below without amendment. Secretary Colin seconded the motion which was approved unanimously.

- a. Review/Approval of draft minutes from the 9<sup>th</sup> March 2016 Council meeting
- b. Action items from the Minutes
  - i. Ready2Work initiative - President Paul has attended one meeting since the last Council meeting in March. A date has been confirmed for the Chamber to host a BE INFORMED session on Wednesday, 25<sup>th</sup> May at 3 p.m. in the Chamber's conference room in Governor's Square.
  - ii. Draft MOU with Ministry of Commerce and C.I. Small Business Association – The Ministry is revising the draft and will distribute a new version once completed.



- iii. Meeting with Cayman Contractors Association – President Paul wrote to the Deputy Governor on 16<sup>th</sup> March requesting a meeting with him and the Minister of Planning to discuss concerns about the processing of planning applications. A meeting has been confirmed for Monday, 18<sup>th</sup> April at 11 a.m. in the Deputy Governor’s meeting room in the Government Administration Building.
- c. Chamber Administration Report (4<sup>th</sup> March – 8<sup>th</sup> April 2016) prepared and distributed by the CEO prior to the meeting.

#### **4. Ongoing Business**

- a. Strategic Plan & Plan of Action review  
President Paul confirmed that the draft three year Strategic Plan and annual Plan of Action had been received from Opportunity Strategies; the firm hired to facilitate the two day planning retreat on 19<sup>th</sup> and 20<sup>th</sup> February. The Executive Committee had received the report and made several amendments at their meeting in early April before issuing the draft plan to the Council prior to today’s meeting for final review and comment. The CEO provided a brief overview of the three year plan and the plan of action for 2016-17. He pointed out some of the dates may need to be adjusted once the committees are activated. He also said the plan can only be achieved with the active involvement of the Council and the committees. There was agreement that the plan reflected the outcome of the two day session. PE Kyle moved a motion to approve and adopt the three year plan and the annual plan of action. Secretary Colin seconded the motion and all Councillors present expressed their unanimous support.

**ACTION ITEM:** Prepare final report for distribution to the membership.

- b. Committee structure  
President Paul presented the committee structure that will support the implementation of the Strategic Plan and the Plan of Action for the year. He asked the CEO to present the structure which includes four main committees: Marketing and Communications (MARCOM) to be chaired by Secretary Colin, Government Relations to be chaired by President Paul, Membership Services and Development to be chaired by PE Kyle and Finance to be chaired by Treasurer Wayne. The Executive Committee also meets monthly. Councillors were asked if they wanted to serve on any of the committees. Councillor Gary, Chris and Gregg agreed to serve on Government Relations; Councillor Roz volunteered to serve on Membership Services and Development. PE Kyle moved a motion to accept the committee structure. Councillor Roz seconded the motion which passed unanimously. The next step will be to invite members to serve on the committees.

**ACTION ITEM:** Release committee structure to the membership and seek volunteers.

#### **5. New Business**

- a. Results of Membership Issues Prioritization Survey  
The CEO emailed the results of the survey to the Council prior to the meeting. President Paul asked the CEO to provide the Council with an overview of the results. In summary, 53 members responded and completed the survey which was distributed to the main contacts from 650 members. More than 80% of the respondents identified themselves as the owners, presidents or CEOs of their firms. The rest were identified as managers.

Respondents represented a cross section of the membership with the highest response rate received from the financial services and services sectors. The cost of doing business remains the top business issue identified by the respondents which is similar to the survey results from last year. Crime and public safety and education standards were the top two community issues and internet speeds, access and reliability and the George Town landfill remediation were the top infrastructure issues. The three top governance issues were the development of a national strategic plan, enforcement of existing legislation and public sector reform. When asked to identify only one issue for the Council to address, the respondents listed immigration/labour reform and cost of doing business as the top priorities.

The survey also asked respondents to state whether they would be willing to volunteer to serve on a Chamber committee or as a Chamber appointed representative on a Government appointed committee. There was a good response and these persons will be contacted to find out if they would be willing to join one of the Chamber committees. The survey also sought to have members identify programmes and reports of most interest to the membership. Training, economic growth, free SME workshops and the Salary Survey were listed as top choices for further information. VP Paul recommended that focus groups be organised so that the Council can better understand the concerns about immigration/labour reform and the cost of doing business. The Council agreed and focus groups will be organised.

**ACTION ITEM:** Organise focus groups to identify the issues and solutions for the top two issues: immigration/labour reform and the cost of doing business.

b. Proposed drafting of statements:

i. Crime/Leadership of the Royal Cayman Islands Police Service

President Paul asked the Council if they supported the preparation and release of a public statement regarding the leadership and lack of accountability of the police service. The Council supported the drafting of a statement that included some key messages: a call for the current Commissioner to complete a report with the issues that he experienced during his term of service and for the incoming commissioner to prepare a preview report when he/she enters the role and with a plan of action to address the issues. The Council supported these messages.

**ACTION ITEM:** Draft a statement for review by the Council.

ii. Beneficial Ownership agreement reached with UK

President Paul said the Government recently announced that the UK had accepted their proposed system to disclose beneficial ownership information in a secured but private online portal. VP Paul did not believe sufficient information had been disclosed about the arrangement and it would be premature to express a position at this time as it is unclear on what had been agreed. The Council agreed and decided not to release a statement at this time.

**6. Invited Guest at 4 p.m. – Hon. Moses Kirkconnell, Minister for District Administration, Tourism and Transport & Chief Officer Stran Bodden and Gerry Kirkconnell, Chamber-appointed Port Authority Representative – update on tourism and port matters**

President Paul welcomed the invited guests to the meeting and asked them to present to the Council. Deputy Premier and Minister for Tourism, the Hon. Moses Kirkconnell listed the three main areas that his ministry has been addressing since this administration took office: cruise berthing which was included in the PPM's manifesto; airport improvements and the overall tourism infrastructure. He said these three areas run in parallel. He said the Islands had fallen well behind in its infrastructure to handle the existing and forecasted growth. He explained the process that was used for the cruise berthing project which included a strategic business case, environmental surveys etc. The infrastructure improvements at the airport will expand the carrying capacity of the airport to handle 2.5 million passengers. He said this government is showing its leadership by moving ahead with a solution rather than talking about it for another 10 years. These projects have stimulated investor confidence which has resulted in several other private sector developers moving ahead with their projects. This will create new jobs in the tourism sector. The hospitality school is now established and is producing some good results. He said when he took office in 2013 there were 345,000 overnight visitors. Arrivals increased by 40,000 visitors by 2015, resulting in an economic injection of approximately \$43 million (\$160 spend per day per air visitor). Cruise arrivals stood at 1.3 million in 2013 and increase to 1.7 million resulting in another \$40 million injection over that period (\$115 per passenger spend). During that period the Government has approved 65 new taxi and tour licenses. He admitted there have been some "bumps in the road" with vendors operating at Public Beach. A recent sting operation resulted in some busts. There is a need to hire more enforcement officers but there are restrictions in hiring at the moment. He announced that the Government approved the Cayman Airways Board recommendation to upgrade aircraft to four 737-800 maxs which are the best in class. These aircraft will enable CAL to carry more passengers and will be able to stretch their routes to the West Coast of the US to include Seattle and San Francisco. The first aircraft will arrive in November 1<sup>st</sup> and will result in a noticeable difference with competing airlines which currently operate a newer fleet. CAL will also acquire another SAAB aircraft for the Cayman Brac route. The Tourism Minister said the business case presented by the CAL board was approved by Cabinet and made perfect sense.

President Paul opened the floor to questions. He began by informing the Minister that he serves as the Chamber's representative on the Ready to Work initiative and at the last meeting was informed that 29 persons have completed the initiative and 91 have been identified to participate in the programme. He said it is clear that with the growth in the economy that there are still not sufficient numbers of Caymanians to fill available positions, but employers are still being faced with challenges with obtaining the foreign labour that they require. He asked if the Government would be addressing this issue. The Minister said if employers are experiencing these issues that the Chamber should bring them to his attention and he will work with the Government Caucus to address them. VP Paul asked if the Ministry is trying to change the employment culture so that more Caymanians enter tourism as a career or field. The Minister said his Ministry and the Department of Tourism has implemented a framework for hospitality education and training. The programme addresses six different tourism areas and promotes

scholarships. He said the Ministry has budgeted to award 50 scholarships annually but only distributed 32 scholarships last year. He cited the UCCI graduation as an example of the challenges with attracting Caymanians into hospitality careers. He said of the 180 UCCI graduates last year, only two selected tourism as a major. Councilor Gregg pointed out that few Caymanians are currently positioned at either middle or senior management levels which discourages them from wanting to pursue a career in the industry. PE Kyle expressed concern with the increasing number of vendors located at Public Beach and the impact this is having on the tourism experience and product. The Minister said enforcement officers have met with some of the vendors in an attempt to encourage them to move to the Market at the Cricket Grounds. So far only two have moved there, but others have said the market is not acceptable for their products. The Minister said a collaborative enforcement effort involving Parks and Recreation, Immigration, Department of Commerce and Investment and Department of Tourism representatives is now underway to address this issue. There is also an undercover operation planned utilizing police from West Bay.

The Minister presented a brief power point presentation about the progress with the cruise berthing project. The Minister expects to release a public update in the next two to three weeks.

President Paul thanked the Minister and the Chief Officer for attending the meeting and they left at 5:10 p.m.

Gerry Kirkconnell provided the Council with an update on port matters.

The Port Authority Board met with the Auditor General to review his draft report. He is requesting that the Board recognise in their financials future liability for medical health coverage for employees after retirement in this year's budget (\$24 million). The Board has already made provision in the next budget to start to fund this liability monthly. The Port Authority had capitalized funds which were used to pay part of the costs incurred for the EIA Study. However, the Auditor General asked that this amount be changed to an expense, and pointed out that until this project goes ahead these funds should not be capitalized.

The Port Authority's financial performance for the eight months ending February 29<sup>th</sup> 2016 shows an improved result over 2015. The PACI recorded a profit of \$3.2M for the eight month period in comparison with \$2M for the period July 2014 to February 2015, and the eight month budgeted profit of \$1.97M. This is an improvement over 2015 of \$1.2M or 60%. This was mainly due to the result of 6% increased cargo activity over the previous financial year, and 8% improvement in passenger. Cargo income increased by 13% for the eight month period due to steady monthly increases in cargo volume imports. Cruise passenger income increased by 8%, the same movement in passenger numbers for the comparative period. Overall gross income increased by 12%.

Cruise arrivals increased by 8% from 1,096,849 passengers for the first eight months of the fiscal year 2015 to 1,180,678 passengers for the first eight months of fiscal year 2016. The related income from cruise passengers for the period July 2015 to February 2016 increased from \$2.68M

in 2015 to \$2.9M in 2016. This is an improvement of \$219K or 8%. PACI's actual cruise passenger income was within (\$74K) of the budgeted \$2.98M. Cruise passenger arrivals were also within projections by (30,087) passengers. Our worst two months for cruise were January and February 2016 which saw cruise numbers underperforming by a combined (76,172) passengers. This was mainly due to bad weather and resulted in lost income of \$187,383. The future outlook also seems positive based on robust bookings projected by the cruise lines.

Overall operating expenses increased by \$381K or 3% over the 2015 period. PACI has continued the trend from the last financial year of overall positive performance. The major categories of expenditure had mixed results for the first eight months of the financial year. Staff costs, repairs and maintenance, Miscellaneous, travel conventions and training, advertising and entertainment, and Stationery and computer supplies increased over 2015 levels, while Contracted services, diesel, insurance, finance charges and utilities all had reductions.

President Paul thanked Mr. Kirkconnell for the update.

**7. Upcoming meetings/events:**

- Earth Day Roadside Cleanup and Family Fun Day at Public Beach – Saturday, 16<sup>th</sup> April 7 a.m. until 2 p.m.
- Meeting with Deputy Governor and Minister of Planning on 18<sup>th</sup> April at 11 a.m., Deputy Governors Conference room, Government Administration Building
- Council and Staff Social – President Paul's home in Old Prospect Road, Saturday, 23<sup>rd</sup> April at 7 p.m.
- Executive Committee meeting, Friday, 29<sup>th</sup> April at 12:30 p.m., Governors Square
- Council meeting, Wednesday, 11<sup>th</sup> May at 3 p.m., Governors Square

**8. Adjournment**

The meeting adjourned at 5:17 p.m.